

**U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, DC 20250**

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| DEPARTMENTAL REGULATION | | NUMBER: 2300-001 |
| SUBJECT: Government Travel Card Regulation | DATE: October 20, 2003 | |
| | OPI: Office of the Chief Financial Officer | |

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1 PURPOSE

This regulation prescribes the policies and procedures governing the use of the Department of Agriculture (USDA) travel card program. The Government travel card program was developed to procure transportation services, subsistence, and other allowable travel and transportation expenses incurred during official travel. The goal of the program is to reduce substantially USDA's cash requirements by diminishing the need for travel advances and improving internal control, cash management and administrative procedures.

2 SPECIAL INSTRUCTIONS

This regulation revises Departmental Regulation 2300-001, "USDA Travel Card Regulation," dated May 14, 1984. The revised Departmental policy contains procedures that agencies must follow for official travel performed after October 20, 2003. This guidance will remain in effect and should be followed unless superseded by subsequent changes made by law.

3 BACKGROUND

- a The Travel and Transportation Reform Act of 1998, P.L. 105-264, 112 Stat. 2350. The Travel and Transportation Reform Act (TTRA) of 1998 requires USDA to reimburse employees within 30 calendar days after employees submit a proper voucher (Form AD-616) to their approving officials. Employees are held accountable for paying the travel charge card in accordance with the terms and conditions of their cardholder agreement.

- b Federal Travel Regulations (FTR), 41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71, and 301-76. The law requires the mandatory use of the travel charge card by employees who meet the USDA requirements for issuance of the card. The use of the travel charge card is limited to expenses incurred in conjunction with official travel. The provisions of this regulation apply to all employees, supervisors, and managers of USDA who have been issued or are applying for a travel charge card.
- c GSA SmartPay Contract
- d FTR Amendment 90
- e “*USDA Guide for Disciplinary Penalties*,” Department Manual, Chapter 751, Subchapter 4, Appendix A
- f “*Standards of Ethical Conduct for Employees of the Executive Branch*,” 5 CFR Parts 2635
- g “*Prompt Payment*”, 5 CFR Part 1315 RIN 0348-AB47
- h “*Pay Administration; Collection by Offset From Indebted Government Employees*”, 5 CFR Part 550 RIN 3206-AH63

4 DEFINITIONS

Agency/Organization Program Coordinator (A/OPC). Agency designated coordinator, including alternates, who administer the travel card program.

Automated Teller Machine (ATM). An electronic device that allows cash withdrawals/advances from participating banks.

Billing Error. Transactions appearing on a cardholder’s account as questionable charges, duplicate billings or unauthorized charges.

Cancellation. Permanent termination of travel charge privileges after the travel charge account is 120 calendar days past due the closing date of the statement.

Cash Advance. Monies obtained from a Government contractor-issued travel card via ATM, or bank teller. Cash advances must be obtained in limited amounts commensurate with actual travel.

Delinquency. A debt on which payment is overdue.

Disposable Pay. The part of pay remaining after the deduction of any amount required by law to be withheld. Required deductions do not include discretionary deductions such as health insurance, savings bonds, charitable contributions, etc. Deductions may be made from basic, special, and incentive pay.

Dispute. A written challenge of an unresolved transaction. Cardholders must assert a dispute, or a billing error in writing within 60 days of date of the statement reflecting the transaction in question.

Excessive Advance. Cash advances obtained in amounts greater than required to accomplish official travel.

Individual Billed Account (IBA). An account established for a Government employee used to pay for travel and transportation expenses.

Centrally Billed Account (CBA). A Government account established by the charge card contractor at the request of the USDA.

Merchant Category Code (MCC). A numerical identifier assigned by the bank for classification of products and services.

Misuse. Use of the travel card in an unauthorized, illegal or adverse manner, e.g. unauthorized cash advances, purchase of non-reimbursable personal expenditures and use of the travel card when not on travel status.

Official Travel. Written authorization to travel on business for the Federal Government that will result in reimbursement for expenses on a travel voucher Form AD-616.

Salary Offset. The authority to collect by deduction from the amount of pay owed to an employee of the agency, any amount of funds the employee owes to the contractor as a result of delinquencies not disputed by the employee on a travel charge card issued for payment of expenses incurred in connection with official Government travel.

Suspension. Temporary termination of travel charge card privileges.

Travel Advance. Prepayment of estimated travel expenses from the Government paid to an employee in the form of electronic funds transfer with the exception of non-government travelers who receive prepayment in the form of a check.

Travel Card. Implies use of the contractor-issued Government travel charge card.

Travel Management Center (TMC). A commercial travel firm under contract that provides reservation, tickets, and related travel management services for official travelers.

5 POLICY

This regulation sets forth the “*USDA Zero Tolerance Policy*” for any inappropriate charges and delinquencies. Zero Tolerance strictly prohibits the following misuses of the card:

- a Unauthorized charges and charges not associated with official travel
 - (1) Personal and family member use of the card is forbidden
 - (2) Additional prohibited activities are listed in Section 7b (7)
- b Charges while not in an official travel status
 - (1) Use of the card in the vicinity of the official duty station or residence is forbidden, unless used in connection with official travel
 - (2) Cash withdrawals from an automated teller machine are also forbidden
- c Shared use of the card with another employee for official travel purposes
- d Allow account to become delinquent
- e Failure to use the card while on travel unless exempted
- f Failure to pay accounts with sufficient funds
- g Failure to properly use Government voucher reimbursements to repay travel expenses
- h Excessive cash advances, or cash advances not commensurate with official travel

The underlying objective of the “*USDA Zero Tolerance Policy*” is to eliminate misuse and abuse in the travel card program so that it does not become necessary to impose disciplinary procedures on any USDA employee. Proper use of the travel card reduces the need to cancel travel charge card privileges, eliminates the administrative burden of taking action against employees, lessens the stress for all involved, and preserves the reputation of USDA and its employees to achieve its mission and goals with integrity.

“General Officers” and Agency Heads as described in the 7 Code of Federal Regulations may exempt any payment, person, type or class of payments, or type or class of agency personnel from the use of the travel charge card, if the exemption is determined to be necessary in the interest of USDA. The General Services Administration (GSA) must be notified in writing within 30 days after granting the exemption, stating the reasons for the exemption. A copy of the

exemption must also be forwarded to the Departmental Coordinator. (FTR 301-51.3)

The contractor-issued Government travel charge card will give employees financial flexibility and convenience while traveling on official Government business. Other advantages of the travel card include no-cost travel accident and lost baggage insurance, direct purchase of common carrier tickets, and the opportunity to reserve lodging and rental cars when authorized in advance by agency management.

The spending limits issued on travel charge cards should be in line with the actual needs of each cardholder. A department wide default limit of \$2500 dollars is set for most travel cards. This limit should be on all new cards unless agency management can justify a higher amount. (FTR 301-10.4)

Possession and use of the travel card does not relieve the employee from observing rules and regulations governing official travel, including use of Government city-pair contract carriers, American Flag carriers, Government car rental agreements, Government approved lodging facilities, or a Travel Management Center.

No USDA official has the authority to override the contractor's corporate policy regarding the suspension or cancellation of employee accounts.

6 RESPONSIBILITY

The following offices and individuals have direct responsibilities for monitoring the use of the travel charge card:

- a **Office of the Chief Financial Officer (OCFO)**. OCFO, Credit, Travel, and Accounting Policy Division (CTAPD) will:
 - (1) Issue and interpret Departmental policy and procedures on the use of the travel charge card.
 - (2) Serve as the liaison to the contractor and GSA, with the assistance of the contracting officer, on issues dealing with the program.
 - (3) Promote standardization, centralization, and automation of the program throughout USDA. Establish department-wide operating limits for card usage, food, cash and other expenses.
 - (4) Review on a semi-annual basis all merchant category codes (MCC) available on travel charge cards; restrict, if necessary, any MCC not appropriate for use during official travel. (FTR 301-51.6)
 - (5) Minimize the establishment of centrally billed accounts.
 - (6) Monitor agencies' compliance in the use of the travel charge card.

- (7) Promote and maximize travel card rebates.
 - (8) Provide annual training to agency/organization program coordinators (A/OPCs) on USDA's Travel Card Program.
 - (9) Submit reports as appropriate to the Office of Management and Budget on USDA's travel card performance.
- b **Office of Human Resource Management (OHRM)**. OHRM is responsible for developing the personnel policies and disciplinary procedures for USDA. Specific excerpts related to the travel card misuse are addressed in the "*USDA Guide for Disciplinary Penalties*," DPM, Chapter 751-Subchapter 4, Appendix A. Travel card delinquency and misuse are examples of serious employee misconduct. OHRM through its servicing personnel offices will determine the appropriate disciplinary action for misuse or delinquency made by employees on the travel charge card. Penalties will be assessed by agency management depending on the circumstances, but can include written reprimand, suspension, or removal from the Government.
- c **Agency Heads**. Agency Heads will establish internal procedures to promote the use of the card and to monitor fraud, waste, and abuse on the travel charge card. Agencies must ensure their employees receive information on how the travel card program operates, proper use of the travel card, safeguards to the travel card and conveyance of the "*USDA Zero Tolerance Policy*" to all cardholders. Agencies will conduct their program in accordance with the FTR and the GSA SmartPay contract by taking advantage of services, technology and rebates offered. Agency Heads or their designees will:
- (1) Establish designated approving officials. Agencies will be responsible for determining the appropriate managers that will be delegated this authority and for providing A/OPCs with the name(s) of the manager(s).
 - (2) Designate employee(s) and alternate(s) to act as A/OPCs. These individuals will administer the travel charge card program for their agency and/or appropriate operating unit(s).
 - (3) Determine which employees are eligible for issuance of a travel charge card and sign the certification block on the Employee Acknowledgment Statement (Appendix A). Agency heads may delegate the signature authority to the employee's immediate supervisor.
 - (4) Establish procedures to classify and reevaluate travelers within appropriate travel charge card limits. The card limits should be issued based on the frequency and/or duration of travel. Agencies are required to document the reason for granting employees higher limits. Agencies are generally prohibited from increasing an employee's travel card limit to accommodate a traveler who has failed to pay his/her travel card in full and on time.

- (5) Ensure A/OPCs are trained, adequately staffed and aware of their program responsibilities.
 - (6) Establish a reporting process to ensure that the results of the monitoring activity performed by A/OPCs is transmitted to a central point in the agency in order to enhance the effectiveness of central oversight of the travel card program and expedite the development and reporting of trends and statistics. Further, ensure that all examination and referral activity related to travel card misuse is documented, to include disciplinary actions taken.
 - (7) Establish an administrative review process to provide due process to employees during collection of delinquent travel card balances via salary offset.
- d **Cardholder's Immediate Supervisor**. The cardholder's immediate supervisor will:
- (1) Authorize cash advances in amounts commensurate with the frequency and/or duration of travel. Cash advances should be reduced by the amount of expenses that will be charged directly to the travel card.
 - (2) Notify the employee of any questionable or inappropriate charges and/or delinquencies and give the employee the opportunity to explain the charge or delinquency. A record shall be maintained of the notification and the explanation received from the employee.
 - (3) If an explanation is inadequate to support a questionable charge, the supervisor shall contact the agency servicing personnel office for a determination of the appropriate disciplinary action. At the discretion of the agency, the card may be suspended. Maintain documentation of referrals to the agency's servicing personnel and document the resolution of the incident.
 - (4) Suspend the card if there is a pattern of inappropriate use or insufficient explanation for repeated delinquencies.
 - (5) Provide their A/OPC with the card for cancellation when it has been suspended because of inappropriate use or delinquency.
 - (6) Notify the A/OPC when an employee is transferring between offices within USDA.
 - (7) Retrieve the travel charge card from the employee and return it to the A/OPC for cancellation when an employee leaves, retires, or transfers to another Government agency.

- (8) Assure the appropriate official signs an exit clearance or other form to document cancellation of the card when an employee leaves USDA.
- e **Agency/Organization Program Coordinators (A/OPC).** A/OPCs should regularly utilize their access to online reporting capabilities provided by the contractor to monitor for potential travel card misuse and delinquency trends. To increase USDA's retention of travel card rebates, A/OPCs are responsible for monitoring the monthly delinquency reports provided by the contractor for employees who are in a pre-suspension status. These reports must be forwarded to supervisors for appropriate action, including counseling, disciplinary action and salary offset. A/OPCs will also:
- (1) Monitor the use of centrally billed accounts (CBA). The use of a CBA results in significant administrative costs to the agency. A CBA will be used only to pay for common carrier expenses for those employees not issued a travel charge card.
 - (2) Provide to the contractor/card issuer a listing of the names of the coordinator(s) and alternate(s), and their mailing addresses and telephone numbers. Also, provide this information to the Departmental Coordinator within the Office of the Chief Financial Officer/Credit, Travel, and Accounting Policy Division.
 - (3) Provide eligible employees requesting a card with a copy of the Departmental and agency specific guidance on the use of the travel charge card.
 - (4) Ensure completeness of the Employee Acknowledgment Statement included in Appendix A.
 - (5) Complete sections designated for agency information and authorization on the employee card account application.
 - (6) Maintain a central file of the signed Employee Acknowledgment Statements along with a copy of the employee's application for all employees who are current cardholders.
 - (7) Forward the original copy of the application to the contractor.
 - (8) Monitor the contractor-issued monthly charges and delinquency reports identified in Appendix B of this regulation.
 - (a) Review contractor's reports to identify employees who:
 - 1 have left USDA
 - 2 have violated the "*USDA Zero Tolerance Policy*"
 - 3 have had additional administrative restrictions placed on their accounts

- 4 are in an inactive traveler status and are using the travel card inappropriately
 - (b) Electronic and web based reports should be used whenever possible to reduce paperwork in accordance with the Paper Reduction Act of 1995 (44 USC Chapter 35).
 - (9) Notify the appropriate manager(s), employee's immediate supervisor, or the employee, in accordance with established agency procedures, of possible misuse or delinquencies of 60 days or more. For consistent notification procedures within USDA, agencies should use the Inappropriate Use, Unauthorized Use and Delinquent Memoranda found in Appendix C of this policy for warning employees of potential travel card misuse and delinquency.
 - (10) Notify the contractor of any mission-related extenuating circumstances for which an employee's delinquent account should not be suspended.
 - (11) Notify the contractor when an employee transfers between offices within USDA.
 - (12) Cut the card in half for cancellation when notified that an employee's card has been suspended because of inappropriate use or delinquency; or when an employee leaves, retires or transfers to another Government agency.
 - (13) Reactivate travel cards when employees are authorized for travel.
 - (14) A/OPCs and the GSA Contracting Officer have the authority to suspend, cancel, or void accounts under their purview, and must maintain documentation of the reason for the suspension, cancellation, or voiding of the account. In the event of notification of potential fraud, the agency A/OPC must notify the Office of Inspector General and/or the contractor bank.
- f **Employees.** Employees who are issued a travel charge card assume the responsibility to use the card for official travel purposes and pay their charges in a timely manner. Use of the card does not relieve the employee of the responsibility to employ prudent travel practices and to observe rules and regulations governing travel as set forth in the FTR, the "*USDA Zero Tolerance Policy*" and agency specific policies and procedures.

Cardholders are personally responsible for all items billed to the card, unless the card was reported lost or stolen. Employees shall pay the contractor in accordance with the contractor bank payment terms. These responsibilities are explained in the Cardholder Agreement that each employee signs during the application process. Furthermore, employees are not relieved of their obligation to pay the travel charge card bill in those rare instances when the agency has not

reimbursed the traveler within the 30-days after receipt of a timely submitted voucher. (FTR 301-52.24)

Employees who apply for the card will:

- (1) Complete the travel charge card account application.
- (2) Complete and sign the Employee Acknowledgment Statement recognizing receipt and understanding of the policies and procedures related to the use of the travel charge card.
 - (a) Obtain the signature of the approving official or immediate supervisor as designated by their agencies, prior to signing the travel charge card account application.
 - (b) Forward the application and acknowledgment statement to their A/OPC for processing. If the A/OPC is unknown, call the Departmental Coordinator at (202) 720-8992.
- (3) Secure the travel card in the same manner as a personal charge card. The card shall not be stored or kept by anyone other than the employee.
- (4) Black out all but the last six numbers of the charge card number from any receipts submitted with their travel voucher.
- (5) Obtain cash advances from ATMs as discussed **further** in section 7d of this policy. Cardholders will be issued Personal Identification Numbers (PINs) by the contractor to use this feature of the travel charge card. Employees who have been issued a travel charge card are expected to obtain cash advances using the travel charge card and generally are not permitted to obtain a travel advance from USDA. An exception may be made for those employees authorized extended foreign travel who may not have access to ATMs in certain foreign locations in order to refresh their cash advance. In these circumstances, a travel advance may be issued to the employee even though he/she is a travel charge card holder.
- (6) Pay travel charge card bill amounts not in dispute in full when due to the contractor on or before the next statement date. If circumstances arise where an employee anticipates that a payment will be late, the employee should inform the local A/OPC of their travel account status and contact the charge card issuer immediately. The charge card issuer may provide a viable option to the cardholder that would resolve the matter to avoid an account suspension.
- (7) Conform to the “*Standards of Ethical Conduct for Employees of the Executive Branch*,” 5 CFR Parts 2635. As a Federal employee, standards of conduct for public trust positions apply. The standards require employees to pay each financial obligation in a proper and timely manner. Appendix D of

this policy includes applicable excerpts as it pertains to the Travel Card Program.

(8) Dispute a charge not made by the cardholder. It is the employee's responsibility to contact the contractor bank to dispute a charge. All disputes must be filed in writing within 60 days of the date the charge first appears on the billing statement. The contractor bank can be reached by calling the customer service number provided on the monthly billing statement or on the back of the travel card for the specific forms to file a dispute. The bank will need to know the following:

- (a) Employee name and account number
- (b) Reference number of the disputed charge
- (c) Establishment where charge was incurred
- (d) Amount of the charge
- (e) Statement date
- (f) Reason for dispute

(9) Notify the A/OPC when transferring between offices within USDA. This notification is essential for internal management reports and mailing addresses to be kept current. Return the card to supervisor or A/OPC for cancellation of charge card privileges when leaving, retiring or transferring to another Government agency. If the coordinator is unknown, see Section 6f (2)(b) of this policy.

7 PROCEDURES

- a **Travel Card Issuance.** Employees **must** use the travel charge card for all official travel expenses, unless you have an agency approved exemption. (FTR 301-51-1)
All employees must apply for a travel card to perform official travel.
- b **Use of the Travel Card.** The card will be employed whenever and wherever possible for airline and other common carrier transportation services, hotel/motel, restaurant, automobile rental, gasoline and other expenses incurred incident to official travel.
 - (1) Airline reservations should not be charged more than a week in advance of the trip. This will avoid having the situation where employees receive their monthly billing statements for tickets prior to receiving their reimbursement for the entire trip.
 - (2) Employees who acquire common carrier transportation with their travel charge card and either lose the ticket or fail to use all or part of the ticket are responsible for obtaining a credit for the unused ticket or reporting a loss to the carrier. Failure to obtain a credit from the carrier will result in the employee being financially liable for the entire amount of the ticket.

Employees should not submit the unused ticket charged to the individually billed travel charge card account to an agency payment office with the travel voucher. The unused ticket shall be returned to the TMC or follow procedures proscribed by agency travel coordinators.

- (3) Payment of an advance room deposit when required by the lodging facilities is allowed under FTR 301-71.301. A travel voucher should be completed when the advance payment is made to allow timely reimbursement of the expense.
- (4) The travel charge card cannot be used to procure travel and transportation services from commercial travel agencies that are not under contract to the Government to provide such services to Government travelers.
- (5) USDA prohibits the use of the travel charge card to obtain contract city-pair fares on a common carrier for a member of the employee's family who is not on Government authorized travel while accompanying the employee.
- (6) USDA prohibits the use of the travel charge card to obtain contract city-pair fares for personal side trips taken in conjunction with official travel.
- (7) USDA restricts most MCCs that offer services and/or products that are non-travel related expenses. As a precautionary measure for those merchants who are mis-classified within the travel card program, employees are prohibited from use of their travel card to procure the following:
 - (a) Book and Magazine Subscriptions
 - (b) Membership Fees
 - (c) Training and Conference Fees
 - (d) Higher Education Expenses
 - (e) Theme Parks
 - (f) Management Consulting Services
 - (g) Automobile Purchases; Car Repairs & Services
 - (h) Clothing, Lingerie, Outerwear, Shoes & Furniture
 - (i) Hair Services, Cosmetics, Tattoos & Massages
 - (j) Emergency Medical Services
 - (k) Office Supplies
 - (l) Computers, Televisions or Digital Equipment
 - (m) Any service or product obtained for personal, family, or household purposes
- (8) USDA prohibits the use of the travel charge card to purchase fuel and procure minor maintenance services on GSA fleet or agency-owned vehicles. Use of the USDA fleet card is the appropriate payment method for purchases incurred while operating government-owned vehicles.

- c **Exemptions to the Use of the Travel Charge Card.** GSA has exempted the following official travel expenses and/or classes of employees from the mandatory use of the travel card.
- (1) Expenses incurred at a vendor that does not accept the Government travel charge card
 - (2) Laundry/dry cleaning
 - (3) Parking
 - (4) Local transportation systems
 - (5) Taxi
 - (6) Tips
 - (7) Meals (when use of the card is impractical, e.g., group meals or when the travel card is not accepted)
 - (8) Phone calls (when a Government calling card is available for use in accordance with Departmental policy)
 - (9) When an employee has an application pending for the travel charge card
 - (10) When individuals are traveling on invitational travel
 - (11) New agency employees who must travel before receiving their travel card
 - (12) Relocation allowances, except for en-route travel and house hunting trips
- d **Cash Advances.** You may use the travel card to obtain cash advances for exempted expenses described in section 7c. These cash advances are limited to meals and incidental expenses rate (M&IE) for the location of the temporary duty location and other cash expenses identified in Section 7c of this policy. For this reason, cash needs should not exceed \$50 per day. In addition, USDA will reimburse travelers for service fees incurred for those ATM advances not exceeding \$50 per day multiplied by the number of calendar days in domestic travel status. The USDA's weekly cash advance limit for international travel is \$1021. Cash obtained from the ATM in amounts greater than required for the travel duration are considered excessive cash advances. Actual use of the card may be verified from the reports provided to USDA by the contractor bank.
- e **Travel Voucher Reimbursement.** An employee must prepare and submit a travel voucher on Form AD-616, together with any required receipts, to their approving official, within 5 working days after completion of a trip or period of travel or every 30 days if on continuous travel status (FTR 301-52.7). Employees will be reimbursed for travel and transportation expenses authorized

and allowable under FTR and agency's specific policies. Adherence to this policy will ensure reimbursement by USDA in sufficient time to pay the travel card monthly billing statement.

Within 7 days of the receipt of the travel voucher, the agencies' finance or paying office will notify employees of any error that would prevent timely payment, and the reasons why the voucher is not proper.

If employees are not reimbursed within 30-calendar days after submitting a proper voucher to their designated approving office, the employees will receive a late payment fee in addition to the amount due. Late payment fees are calculated using the prevailing Prompt Payment Act Interest Rate beginning the 31st day after submission of a proper travel voucher and ending on the date on which the payment is made, or a flat fee of not less than the prompt payment amount. Cash advances are limited to meals and incidental expenses rate (M&IE) for the location of the temporary duty location and other cash expenses identified in Section 7c of this policy. Amounts obtained from the ATM greater than required for travel commencement are considered excessive cash advances.

- f **Cumulative Use of Travel Card Reports.** Cumulative 9-month charge activity reports will be used for the purposes of determining whether or not employees meet program eligibility criteria, the level of participation and for establishing budget estimates for travel.
- g **Travel Card Operations During National and State Declared Emergencies.** Employees designated as members of an emergency response team or continuity of operation plans are exempt from deactivation and cancellation requirements due to inactivity. Agencies should forward a listing to their A/OPC or Departmental Coordinator to ensure the members are placed in the appropriate credit limits for emergency designated personnel.
- h **Deactivation and Reactivation.** The Departmental Coordinator will work with the contractor bank to perform semiannual deactivation of cards that remain inactive during a six-month period. A/OPC should deactivate cards upon notification from the employee's immediate supervisor of travel charge card ineligibility.

Infrequent travelers should contact the contractor bank to determine the status of their travel charge card for subsequent travel trips. Employees with a deactivated travel charge card will need to contact their A/OPC or agency travel coordinator at least 36 hours prior to travel commencement to have their travel charge card reactivated.
- i **Collection of Delinquent Payments from Employee Pay.** In accordance with their cardholder agreement, employees are obligated to pay the undisputed balance within 30 days of statement date. Effective immediately on all delinquent amounts, employees are requested to settle their debts with the contractor.

Individual card account balances that are delinquent and that are not disputed amounts will be eligible for the USDA travel card salary offset program. Before amounts are offset from an employee's pay, the agency must provide the employee with written notice of the amount and the intention to collect from disposable pay, the opportunity to inspect records regarding the claim, the opportunity to make a written agreement with the contractor to repay the delinquent amount, and the opportunity for review with the agency of its decision to collect the amount. 41 CFR 301-54.100. The travel charge contractor may request collection assistance on accounts 61 or more days past due from the closing date. Upon written request from the travel charge card contractor, the National Finance Center (NFC) will begin due process notification to the delinquent employee, following the requirements contained in FTR 301-54.100. Appendix E is a sample due process letter that will be issued by NFC, detailing to the employee his/her rights as a debtor. Following the due process, NFC will collect from an employee's disposable pay any undisputed amounts owed to the travel charge card contractor. Administrative offset from the employee's disposable pay may not exceed 15% of disposable pay unless a higher amount is authorized by the cardholder. In addition to the amount owed the charge card issuer, a processing fee will be charged to the employee by NFC to recover its processing costs.

USDA may offset an employee's final pay to recover delinquent amounts that are not disputed due the contractor. Salary offset may apply to an exiting employee's final payment provided the due process requirements discussed above have been followed.

USDA will not initiate a salary offset request by the travel charge card contractor if the employee has filed a timely voucher and it has not been paid. Upon receipt of written notice of the intent to administer salary offset, the employee must inform NFC in writing within 5 business days if he/she has not been reimbursed and follow the instructions provided in Appendix E to provide the name and phone number of the employee's travel voucher-approving official for confirmation. No offset of disputed debts will be made except pursuant to the garnishment regulations. 5 CFR Part 582.

- j **Suspension/Cancellation of Travel Charge Cards**. The charge card contractor will suspend an account once an undisputed transaction remains unpaid for 61 days or more from the billing/closing date on the statement in which the unpaid charges first appeared. The contractor will cancel an account once undisputed transactions remain unpaid 120 days or more from the closing date on the statement in which the unpaid charges first appeared. An account may also be canceled if it has been suspended twice during the preceding 12 months, and becomes past due again.

The contractor will not suspend any account for disputed charges. Upon payment of the undisputed principal amount, the contractor will automatically reinstate a suspended account. The automatic reinstatements are only allowed

on suspended accounts less than 120 days. The travel card issuer maintains a suspension/cancellation/reinstatement file on all accounts.

Employees who have lost their charge card privileges due to card cancellation by the bank because of delinquency or use of the card for non-official purposes and need to perform official travel must charge their common carrier transportation to their agency centrally billed accounts. All other travel related costs must be paid by the employee using a personal charge card or with personal funds.

A cancelled travel card account reflects unfavorable past performance. For this reason, employees with cancelled travel card accounts are considered high risk in the repayment of travel advances. In the case of extreme hardship, employees who have lost their charge card privileges may request written approval for a travel advance on a trip-by-trip basis from their Under Secretaries or equivalent, who may re-delegate this authority to a level not lower than the Chief Financial Officers. Consideration of such requests will be made on a case-by-case basis, and approval should not be assumed. A written record of all such approvals, as well as the basis for each approval, will be maintained by the approving office and a copy forwarded to the NFC Administrative Payments Section for system processing. The Office of Inspector General (OIG) shall regularly review this record during program specific audits.

Employees are expected to comply with this policy by promptly resolving any outstanding balance on the travel charge card. The use of personal funds to finance all travel expenses (except transportation tickets) on official travel is authorized when an employee has been cancelled from the use of the travel charge card. When personal funds are thus used, employees will be reimbursed for qualifying travel expenses by submitting a proper travel voucher. Questions regarding travel cards may be directed to OCFO at (202) 720-8992.

-END-

APPENDIX A**THE DEPARTMENT OF AGRICULTURE (USDA)
GOVERNMENT TRAVEL CARD PROGRAM
ACKNOWLEDGMENT & ACCEPTANCE STATEMENT**

1. The Government Travel Card Program provides travelers with a means of financing their official travel expenses without obtaining costly travel advances or using their own funds. Only official Government expenses incurred as a result of temporary duty travel may be charged to the travel charge card. Expenses include meals, lodging, rental car, transportation tickets, and any other authorized travel related expenses. Travelers are expected to use the travel charge card whenever and wherever practical for all these expenses prior to the use of an automatic teller machine (ATM). ATM use requires supervisory approval and is available for limited cash advance amounts where use of the travel charge card is impractical.
2. Use of the travel charge card for any other purpose than official Government travel business is **NOT AUTHORIZED** and is considered misuse of the travel charge card program. Delinquency in payment of the monthly travel card billing or use of Non-Sufficient Fund checks for payment are considered travel card abuse. Card misuse and abuse may be subject to disciplinary actions under the appropriate agency and civilian personnel regulations.
3. The “*USDA Zero Tolerance Policy*” strictly prohibits the following use of the card:
 - a Unauthorized charges not associated with official travel.
 - (1) Personal and family member use of the card is forbidden.
 - (2) Additional prohibited activities are listed in Section 7b (7).
 - b Charges while not in an official travel status.
 - (1) Use of the card in the vicinity of the official duty station or residence is forbidden, unless used in connection with official travel.
 - (2) Cash withdrawals from an automated teller machine are also forbidden.
 - c Shared use of the card with another employee for official travel purposes.
 - d Account delinquency beyond a 30-day period.
 - e Failure to use the card while on travel.
 - f Failure to pay accounts with sufficient funds.
 - g Failure to use Government issued voucher reimbursements to repay travel expenses.
 - h Excessive cash advances not commensurate with official travel.

Cardholders should read and familiarize themselves with the contents of the bank’s Card Agreement, the USDA Travel Card Regulation 2300.001 (interim) and agency specific policies regarding the use of the card. Questions concerning the card should be addressed to the local or primary travel card coordinator.

- 4 I hereby acknowledge that I have read and understand the above policy. I agree to the terms of the Bank of America Card Agreement and to abide by the “*USDA Zero Tolerance Policy*.” I understand that failure to comply with the terms of the Bank of America Card Agreement and to abide by the “USDA Zero Tolerance Policy” may result in disciplinary action up to and including removal.

(SIGN/DATE)
SIGNATURE OF CARDHOLDER

- 5 The application for the above to participate in the Travel Card Program is recommended for approval.

(SIGN/DATE)
SIGNATURE OF AGENCY DESIGNEE

NOTE: THIS STATEMENT SHOULD ACCOMPANY THE TRAVEL CARD APPLICATION SENT TO THE PRIMARY AGENCY/ORGANIZATION PROGRAM CARD COORDINATOR.

CTAPD 8/03

APPENDIX B
Available EAGLS Reports

| If you need to view information on... | ... Then use these reports |
|---|--|
| <p align="center">Accounts that require A/OPC Review</p> | <p>Delinquency Suite:</p> <ul style="list-style-type: none"> • Delinquency Reports • Pre-Suspension Report • Suspension/Pre-Cancellation Report • Cancellation Report <p>Exception Reports:</p> <ul style="list-style-type: none"> • Exceptions: Account Number • Exceptions: ATM/Cash Activity • Exceptions: Hierarchy Level • Exceptions: Returned Check Charges • Exceptions: Transactions Over \$2,500 <p>Account Maintenance:</p> <ul style="list-style-type: none"> • Account Renewal • Authorizations/Declines • Maintenance Requests • New Accounts • Lost/Stolen Report |
| <p align="center">Cancelled Accounts</p> | <ul style="list-style-type: none"> • Aging Analysis (Summary Information HL1-HL3) • Cancellation Report • Cancellation Summary Report |
| <p align="center">Cardholders or Agencies (Detail)</p> | <ul style="list-style-type: none"> • Account Listing • Account Renewal • Agency Program Information • Maintenance Request • New Accounts |
| <p align="center">Charged-Off Accounts</p> | <ul style="list-style-type: none"> • Aging Analysis (Summary Information HL1-HL3) • Charge Off Report |
| <p align="center">Delinquent Accounts (Detail)</p> | <p>Delinquency Reports:</p> <ul style="list-style-type: none"> • Delinquency Report - Account Number • Delinquency Report - Hierarchy Level • Delinquency Report - Hierarchy Level/Severity • Pre-Suspension Report • Suspension/Pre-Cancellation Report • Cancellation Report |
| <p align="center">Travel Accounts</p> | <ul style="list-style-type: none"> • Account Activity Report • Airline Credit/Refund • Daily Invoice • Statistical Summary Travel • Summary ATM/Traveler's Checks • Summary Purchase • Summary Quarterly Merchant • Summary Quarterly Vendor Analysis • Transaction Activity |

APPENDIX C**Example of the Memorandum to Agency Heads
DELINQUENT ACCOUNT SUMMARY**

TO: Agency Heads

FROM:

SUBJECT: Travel Card Delinquencies

This memorandum serves as notification of **agency's name** delinquencies that appeared on the Bank of America's **month** activity reports for the travel card program.

The Office of the Chief Financial Officer (OCFO) has recently reviewed the **identify report** listing from the Bank of America (BoA) on all individual travel credit card delinquent accounts and amounts. The on-line file contains **provide number & total amount** cardholder delinquencies for your agency. We ask assistance from you to ensure that the manager of each cardholder in the proper office is notified of the delinquent cardholder account and amount. We also ask you to ensure that managers are provided the following reminder and guidance in their meetings with the delinquent cardholder:

- Failure to properly make payments on government credit cards is a violation of the Rules of Conduct and can lead to disciplinary action, based on the facts in each case. Therefore, managers are advised to contact their servicing human resources or labor relations' staff prior to discussing the delinquencies with their employees.
- Any discussions with employees concerning the reasons for their failure to make payments on their credit cards would be considered a disciplinary meeting.

If you have any questions, please contact **CTAPD member** at **(XXX) XXX-XXXX**. We appreciate your cooperation in this matter.

APPENDIX C**Example of the Memorandum to Employee From A/OPC
INAPPROPRIATE USE NOTICE**

TO:

FROM: Agency Travel Card Coordinator

SUBJECT: Inappropriate Charge Card Use

A review of the Bank of America (BoA) monthly activity charge card reports indicates that your travel Government charge card appears to have (a) questionable transaction(s) during this reporting period. Please submit to me a written explanation of the expense incurred in conjunction with official travel by (date).

As part of our commitment to provide service to employees participating in the travel card program, we would like to remind you of the responsibilities that employees have in using the BoA's travel charge card.

Employees who participate in the travel charge card program shall, to the maximum extent possible, utilize the charge card to pay for expenses connected with official Government travel (e.g., lodging, meals and automobile rentals). Employees should use the card *only* for authorized travel expenses on agency business. You should not use the charge card to pay for personal travel expenses or for any other purpose, which is not related to your authorized *official* government business.

If you have any other questions, please contact **add A/OPC name** at **(XXX) XXX-XXXX**.

cc: Supervisor

APPENDIX C

Example of the Memorandum to Employee From A/OPC
UNAUTHORIZED USE NOTICE

TO:

FROM: Agency Travel Card Coordinator

SUBJECT: Unauthorized Charge Card Use

Our review of the monthly activity reports provided by the Bank of America (BoA) has brought to my attention several instances of apparent unauthorized use of your Government travel charge card. These charges have included the use of the card for unauthorized personal retail purchases and/or excessive unauthorized Automated Teller Machine (ATM) withdrawals. Please provide me with a written explanation of the charges incurred in conjunction with official travel by (date).

Unauthorized use of the travel card may result in the suspension or cancellation of the travel card privileges, the forward of a delinquent account notice to a collection agency, or in case of court judgments, a garnishment of salaries, as well as agency disciplinary action. Your agency head and supervisor have been notified of your account status for immediate review and resolution.

If you have any questions, please contact **add A/OPC name** at **(XXX) XXX-XXXX**.

cc: Supervisor

APPENDIX C**Example of the Memorandum to Employee From A/OPC
DELINQUENT NOTICE**

TO:

FROM: Agency Travel Card Coordinator

SUBJECT: Delinquent Notice for the Government Charge Card

Our review of the monthly activity reports provided by the Bank of America (BoA) indicates that your account may be 30 days past due. It is our position that delinquencies beyond the 30-day timeframe violate the Department's zero tolerance policy.

The agreement that you made with the BoA requires that all outstanding charges be paid upon receipt of your monthly statement. Your charge privileges may be subject to interruption if you do not bring your account to a current status.

Any questions concerning your statement should be reported directly to the BoA. Please submit your payment for the total balance, both current and past due, to BoA. Failure to do so may constitute a violation of the Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR 2635) and may result in disciplinary action up to and including removal.

If you have any other questions, please contact **add A/OPC name** at **(XXX) XXX-XXXX**.

cc: Supervisor

APPENDIX D

Government Employees Standards of Conduct

The following excerpts pertinent to the use of the Travel Card are from
Title 5, Code of Federal Regulations, Part 2635,
“Standards of Ethical Conduct for Employees of the Executive Branch:”

Section 2635.101, “Basic Obligations of Public Service,” state the following:

-Public service is a public trust, requiring employees to place loyalty to laws and ethical principles above private gain.

(For example, do not take advantage of the charge card privileges for your personal use.)

-Employees shall put forth honest effort in the performance of their duties.

(For example, abide by the agency policy in carrying out your responsibilities as a cardholder.)

-Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the government.

(For example, do not make purchases with the travel card if purchases have not been authorized.)

-Employees shall not use public office for private gain.

(For example, do not use the charge card to make a personal unauthorized purchase.)

-Employees shall satisfy in good faith their obligations as citizen, including all just financial obligations.

(For example, pay your charge card bill on time. A check returned for insufficient funds does not demonstrate good faith in paying your bills.)

-Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part.

(For example, do not avoid agency policies and procedures for administrative convenience.)



Office of the
Chief Financial
Officer

National
Finance
Center

P.O. Box 61770
New Orleans
Louisiana 70161

APPENDIX E

November 3, 2003

«Name»
«Address»
«City», «State» «Zip»

Subject: **Delinquent Bank of America Travel Card Account Balance – Salary Offset**
Account Number: «AccountNumber»

Dear Sir or Madam:

This is to advise you that Bank of America has requested the Department of Agriculture (USDA) to offset your salary for a delinquent government travel card balance in the amount of \$«Amount». The delinquent balance excludes any disputed transactions which are still pending.

The Travel and Transportation Reform Act of 1998 authorizes USDA to offset up to 15% of your disposable pay at the request of the travel card contractor to collect delinquent balances. Therefore, payroll deductions will begin in pay period «PP» of «Year» unless you resolve this matter prior to the date. The deductions will continue until the total amount plus any administrative costs and fees are paid-in-full or we are notified by the Bank of America to stop collection action.

The amount deducted in any single pay period will be limited to 15% of your disposable pay. If you wish to authorize a larger salary offset in order to accelerate the payment of this debt, please submit a written request to specify a percentage of disposable pay or a specific dollar amount and mail to **NFC, Claims Section, P.O. Box 61770, New Orleans, Louisiana 70161.**

You have the right to inspect and copy records related to the delinquency, and to request Bank of America review its decision to pursue collection of the debt from your Federal salary. You also have the right to make a written repayment agreement directly with the Bank of America. If you wish to exercise any of these rights or have any questions including disputing the offset as erroneous, **please contact a representative of the Bank of America directly at 1-800-863-5258.** As an employee, you have the right to ask your agency to review the bank's decision to pursue collection of the debt from your Federal salary. You may address your request, with all pertinent facts for consideration, to the NFC Claims Section within 30 days of this notification. Your request will be forwarded to the USDA Office of Chief Financial Officer for assignment of a review official. During this review process, collection activity will be suspended until a decision is rendered and you are notified.

If you believe that the credit card charges are delinquent because you have not been reimbursed for a related travel voucher, please contact your Finance Office to determine the status of the voucher. In addition, salary offset will not be initiated if you inform this office in writing within 5 business days, the name and phone number of your travel reimbursement voucher(s) approving official to verify a travel reimbursement delay. You may send the information to the same address as stated above or fax to (504) 255-5380.